

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 TRSE-00 COME-00 CTME-00

STR-07 CIAE-00 INR-10 NSAE-00 MMO-01 /052 W

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FM AMEMBASSY ROME

TO SECSTATE WASHDC 4203

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON 2161

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION GENEVA

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USEEC ALSO FOR EMBASSY

E.O. 11652 N/A

TAGS: ETRD, EIND, IT

SUBJECT: TRIGGER PRICE MECHANISM - SPECIAL "FOREIGN INDUSTRY
QUESTIONNAIRE"

REF: A) STATE 172386 B) STATE 157105

SUMMARY. MISSION HAS MADE SUBSTANTIAL EFFORT TO ASCERTAIN FEASIBILITY
OF OBTAINING NOT ONLY CONSIDERABLE AMOUNT OF DATA REQUESTED IN REFTL
B, BUT OUR ABILITY TO PROVIDE SUFFICIENTLY ACCURATE AND
TIMELY TO USE AS YARDSTICK FOR INITIATING ANTI-DUMPING INVESTIGATIONS.

THIS INTERIM MESSAGE SETS FORTH OUR PRELIMINARY ASSESSMENT IN THIS
REGARD. ALL PUBLISHED MATERIALS REFERRED TO BELOW ARE IN THE
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ITALIAN LANGUAGE. END SUMMARY.

1. PRODUCTION. MONTHLY STATISTICS ON PRODUCTION OF PIG IRON,
CRUDE STEEL, HOT ROLLED PRODUCTS, OTHER FINISHED STEEL AND FERRO
ALLOYS ARE PUBLISHED IN BULLETIN OF ITALIAN STATISTICAL INSTITUTE
(ISTAT) AND FURNISHED WASHINGTON UNDER CERP PUBLICATION PROGRAM,
ITEM NO. 27. TIME-LAG IS SIX MONTHS, I.E. JANUARY FIGURES ARE

AVAILABLE IN JULY. ITALIAN NATIONAL ASSOCIATION OF STEEL PRODUCERS (ASSIDER) PUBLISHES MORE DETAILED PRODUCTION STATISTICS IN ITS MONTHLY STATISTICAL REPORT, WHICH UNDER CERP ITEM NO. 12. HOWEVER, ASSIDER ALSO PUBLISHES MORE TIMELY FIGURES IN ITS MONTHLY BULLETIN (ONE MONTH TIME-LAG) ON THREE CATEGORIES, I.E. PIG IRON, STEEL AND FERRO ALLOYS, AS WELL AS AN ANNUAL STATISTICAL ABSTRACT THAT PROVIDES QUARTERLY PRODUCTION FIGURES FOR STEEL ONLY. THESE ARE PUBLISHED IN JUNE OR JULY FOR THE PREVIOUS CALENDAR YEAR. LATTER TWO ASSIDER PUBLICATIONS NOT REPEAT NOT SENT DEPARTMENT UNDER CERP PROCUREMENT BUT CAN BE ADDED IF DESIRED. SAMPLE PUBLICATIONS BEING POUCHED TREASURY PER PARAGRAPH 3 OF REFTEL B.

2. PRICES. INFORMATION ON CURRENT LOCAL MARKET PRICE OF IRON AND STEEL PRODUCTS IS PUBLISHED WEEKLY IN "WHOLESALE PRICE LISTS" COMPILED BY CHAMBERS OF COMMERCE IN VARIOOUS PROVINCEX, INCLUDING PRINCIPLE MARKETING CENTERS ROME, MILAN, GENOA, TURIN AND NAPLES. PRODUCT CLASSIFICATION VARY FROM U.S. SCHEME IN SEVERAL RESPECTS. IN ADDITION, MILAN-BASED ASSOCIATION OF DEALERS IN IRON AND STEEL PRODUCTS (ASSOFERMET) PUBLISHES SEMI-MONTHLY BULLETIN ON IRON AND STEEL MAKET AND ON PRICES OF PRINCIPLE PRODUCTS. THIS PUBLICATION ALSO INCLUDES INFORMATION ON STEEL MARKET TRENDS FROM VIEWPOINT OF DEALERS. SAMPLES OF BOTH FOREGOING PUBLICATIONS BEING POUCHED TO TREASURY AND CAN BE ADDED TO PUBLICATIONS PROCUREMENT IF DESIRED. INFORMATION RE QUANTITIES SOLD FOR COMPILATION OF WEIGHTED AVERAGES LIMITED OFFICIAL USE

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REQUESTED REFTEL B IS NOT AVAILABLE IN PUBLISHED FORM.

3. COST OF PRODUCTION. ELEMENTS OF COST AS LISTED REFTEL B ARE DEVELOPED BY EACH COMPANY AND TREATED AS CONFIDENTIAL. PRIOR ATTEMPTS BY U.S. CUSTOMS REPS TO OBTAIN HOME MARKET VALUE AND OTHER INFORMATION ON CERTAIN STEEL PRODUCTS HAVE PROVEN FRUIT-LESS DUE TO STALLING TACTICS BY COMPANIES CONCERNED. WE DO NOT BELEIVE TTHIS INFORMATION CAN BE OBTAINED ON PRESSCRIBED RE-PETITIVE BASIS. AT BEST, APPROACH AT TOP LEVEL COUPLED WITH IMPENDING ANTI-DUMPING MIGHT PRODUCE COST DATA IN SPECIFIC INSTANCES.

4. CLASSIFICATION OF STEEL PRODUCTS. IN ITALY, CLASSIFICATION INTO VARIOUS CATEGORIES IS BASED ON DESIGNATIONS DEVELOPED BY ENTE ITALIANO D'UNIFICAZIONE OF MILAN (UNI). THE ITALIAN EQUIVALENT OF U.S. BUREAU OF STANDARDS. A LISTING OF THESE DESIGNATIONS WITH CITATION OF APPLICABLE UNI SPECIFICATIONS IS PUBLISHED ANNUALLY BY UNSISIDER, ORGANIZATION RESPONSIBLE FOR IRON AND STEEL STANDARDS. COPY OF FOREGOING LISTING WILL BE POUCHED SEPARATELY FROM MILAN.

5. CONCLUSION: IN VIEW OF STRICTURES AGAINST FORMAL APPROACH TO

COMPANIES, INDUSTRY ASSOCIATIONS AND GOVERNMENT AGENCIES (REF A) AND PRIOR LACK OF SUCCESS IN PERSUADING COMPANIES TO PROVIDE INFORMATION INFORMALLY OR FORMALLY TO U.S. CUSTOMS REPS, INFORMATION DESCRIBED BY WASHINGTON WILL IN LARGE PART HAVE TO BE GLEANED, IN COMPLETE FORM, FROM VARIOUS PUBLICATIONS LISTED ABOVE. IN EFFORT OBTAIN MORE COMPLETE PROCESS TO MARKET RESEARCH FIRM, BUT INFORMAL INQUIRIES HAVE INDICATED TAT MOST STEEL COMANIES HAVE "IN-HOUSE" RESEARCH DEPARTMENT FOR THESE MATTERS. ALTERNATIVELY, EC BRUSSELS MIGHT WISH TO DETERMINE WHETHER EC COLLECTS COST DATA FROM MEMBER COUNTRIES THAT MIGHT BE ACQUIRED FROM SINGLE SOURCE; HOWEVER, WE UNDERSTAND EC DATA COLLECTION ON PRICES AND COSTS OF PRODUCTION RELATE MAINLY TO NON-EC COUNTRIES.

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6. ACTION REQUESTED: UPON RECEIPT BY CUSTOMS STEEL TASK FORCE OF MATERIAL DESCRIBED ABOVE, EMBASSY WOULD APPRECIATE GUIDANCE AS TO UNIT INFORMATION SHOULD BE SUBMITTED ON CONTINUING BASIS AND WHETHER ANY OF RAW MATERIAL CONTAINED IN THESE PUBLICATIONS SHOULD BE TRANSLATED OR PROCESSED INTO END-USER FORMAT. IF SUCH IS CASE, DEPENDING ON AMOUNT OF WORK INVOLVED, EMBASSY MAY SEEK WASGINGTON CONCURRENCE IN LIMITING OTHER ACTIVITIES.

7. THIS MESSAGE HAS BEEN COORDINATED WITH CONSISTITUENT POSTS IN ITALY AS WELL AS WITH U.S. CUSTOMS REP.GARDNER

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Message Attributes

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